

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 56th LEGISLATURE - REGULAR SESSION

SELECT COMMITTEE ON JOBS AND INCOME

Call to Order: By **CHAIRMAN BOB DEPRATU**, on January 5, 1999 at 4:17 P.M., in Room 325 Capitol.

ROLL CALL

Members Present:

Sen. Bob DePratu, Chairman (R)
Rep. Karl Ohs, Vice Chairman (R)
Sen. Lorents Grosfield (R)
Rep. Douglas Mood (R)
Rep. Bruce Simon (R)
Rep. Emily Swanson (D)
Sen. Mike Taylor (R)
Sen. Jon Tester (D)
Rep. Carley Tuss (D)
Sen. Mignon Waterman (D)

Members Excused: None.

Members Absent: None.

Staff Present: Gordon Higgins, Legislative Branch
Deb Thompson, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: January 6, 1999, Room 325,
Working Committee
Executive Action: LC 1414, LC 1239, LC 1341,
LC 1223, LC 1224

LC 1224

Rep. Ohs **MOVED** to accept LC 1224 as written and send it out to be drafted. Sen. Grosfield asked if this required a fiscal note. Sen. Waterman was concerned about needing more time working on the foundation of the Commission. Rep. Swanson pointed out

concerns with the overlap with the Department of Commerce and this Commission. Sen. Grosfield said he had a different view of the bill. He pointed out this was not the final form. The bill would go through the hearing process and fresh minds would work on it. The bill is a significant change in direction for the state.

{Tape : 1; Side : B; Approx. Time Counter : 7.3}

Rep. Ohs encouraged the committee to take a moment to look at the whole picture. This committee was working towards institutionalizing economic development which was not a piecemeal approach. Other input would be needed to continue working out the details.

Rep. Mood stated the reason for the downturn of the economy was the industry in the state had diminished leaving no tax base. Homeowners have taken up the slack. The state cannot survive without basic industry. The reason the Jobs and Industry Commission is needed is to oversee the reversal of the declining economy.

{Tape : 1; Side : A; Approx. Time Counter : 12.9}

Chairman DePratu commented the committee put out their best effort on the proceedings. New ways of looking at things were needed in order to deal with the tough times. Obviously, being 50th in terms of wages and economy, it was time to change the structure and time for action.

The question was called on Rep. Ohs motion. The motion passed with one no vote by Rep. Waterman.

LC 1414

Higgins explained the bill **EXHIBIT(joh02a01)**. He pointed out the costs of any services training programs were within the existing state agencies. The important point in the bill was allowing state agencies to contract with the private sector, rather than always going through the Department of Administration.

Sen. Grosfield pointed out current perception was Montana regulations were slapped on the table. Training of regulators to be enablers would involve a different attitude.

{Tape : 1; Side : A; Approx. Time Counter : 21.5}

Sen. Grosfield **MOVED** to add 1b "and needs". The question was called. The motion **PASSED UNANIMOUSLY**.

Sen. Grosfield **MOVED** LC 1414 be passed out for a hearing.

Rep. Simon noted basic training should be required to remind state employees who they serve. He said he would vote against the bill because it does not serve a purpose. The bill directs the department to train employees, however, the administration can do this now. They have the authority to commit to it on their own. This is a waste of time to pursue since this can be done anyway.

Rep. Ohs pointed out the issue would have another hearing so the bill could move on. This was a move to institutionalize the ideas to keep the economy moving.

Sen. Taylor noted this would command the agencies to look at producing a different response. He noted, the state was the largest employer in the state and they must be user friendly.

The question was called. The motion **PASSED** with one no vote by Rep. Simon.

LC 1239

Higgins discussed LC 1239 as the appropriations for the Jobs and Income Program. **EXHIBIT(joh02a02)**

Committee members discussed the hearings procedure. **{Tape : 1; Side : A; Approx. Time Counter : 36.5 - 44}** Blouke discussed the documentation that existed in the Jobs and Income Briefing Book and the Vision 2005 Task Force documents. Rep. Swanson asked if these appropriations were removed from HB 2. Blouke responded they were in the bill but needed to be addressed in the subcommittees first. He noted the importance of this select committee acting on this appropriations since the entire Jobs and Income proposal was integrated and interrelated.

Rep. Simon commented on Section 12. He asked what rail transportation technical assistance had to do with the average citizen.

Rep. Simon **MOVED** to delete Section 12 in its entirety from LC 1239.

Ralph Peck commented that the 2005 Task Force had addressed this topic and the needs to access Canadian rail transportation. Sen. Taylor said he was against the motion. The family income of the ranching and farming business is going down every day.

Rep. Simon **WITHDREW** the motion.

Rep. Swanson **MOVED** on page 9, where each department must provide a program implementation statement, add "by the end of fiscal year 1999" of July 1; and in Section 13, that details "and provides baseline benchmarks against which to measure progress". She explained the need for a starting point and a base line.

Sen. Waterman commented that a plan was necessary before any money was spent. She suggested the language "before expending the appropriation, must provide program implementation statement to the commission". Blouke pointed out time would be needed to test the benchmarks.

{Tape : 1; Side : A; Approx. Time Counter : 58.8}

Rep. Swanson noted the baselines were a critical element of the endeavor. Rep. Tuss suggested discussing the benchmarks at the second board meeting rather than using a certain date since the programs were so important. Blouke pointed out his reluctance to benchmark to a certain date since there were a lot of problems still unsolved.

Sen. Grosfield noted that he agreed with the benchmark idea but they were already covered in the commission bill. The Department would come to the Commission with their implementation strategy.

Rep. Swanson pointed out the importance of defining the benchmarks. Sen. Waterman said it was an issue of timing rather than a date certain, which should be before they expend any funds. Rep. Simon said the benchmarks were not chiseled in stone. They could be altered or modified prior to fiscal year end. Sen. Grosfield said before the benchmarks were carved in stone, the Commission must determine if the strategies met the objectives. Blouke suggested this be changed to "preliminary" benchmarks. Rep. Ohs agreed with the idea of "preliminary" and a date certain. **{Tape : 1; Side : B; Approx. Time Counter : 13.2}**

Rep. Swanson **MOVED TO AMEND** the motion, by the end of fiscal year 1999 add "preliminary". The question was called. The motion **PASSED UNANIMOUSLY**.

Rep. Simon **MOVED** LC 1239 to moved forward into bill form. The question was called. The motion **PASSED UNANIMOUSLY**.

LC 1341

Chairman DePratu explained this bill was the sister state relationship. **EXHIBIT(joh02a03)**

Sen. Grosfield **MOVED** line 29 add "and economic benefit". The question was called. The motion **PASSED UNANIMOUSLY**.

Sen. Waterman **MOVED** to pass the bill out of the committee. The question was called. The motion **PASSED** with two no votes by Rep. Simon and Sen. Taylor.

LC 1223

Higgins explained this bill would reduce the Board of Investments minimum infrastructure loan amount from \$500,000 to \$250,000 and reduce the minimum number of jobs created from 50 to 15 that are required for a minimum infrastructure loan amount.

Rep. Ohs **MOVED** to pass the bill out of committee. The question was called. The motion **PASSED UNANIMOUSLY**.

ADJOURNMENT

Adjournment: 5:40 P.M.

SEN. BOB DEPRATU, Chairman

DEB THOMPSON, Secretary

BD/DT

EXHIBIT (joh02aad)